

CITY OF SUNNYVALE

The Heart of Silicon Valley

456 WEST OLIVE AVENUE SUNNYVALE, CALIFORNIA 94086 (408) 730-7470

August 18, 2004

John N. Howe
Mayor

Dean J. Chu
Vice Mayor

Frederik M. Fowler
Councilmember

Melinda Hamilton
Councilmember

Otto Lee
Councilmember

Julia E. Miller
Councilmember

Ron Swegles
Councilmember

Kay Melvin, Executive for Customer Information Services
United States Patent and Trademark Office
Patent and Trademark Depository Library Program
Crystal Park 3, Suite 481
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Ms. Melvin:

On behalf of the Sunnyvale City Council I am writing to update you on the status of the Sunnyvale Center of Innovation, Invention and Ideas (Sc[i]³). During our long budget deliberations two separate actions were undertaken. First, we asked the staff to prepare a scenario for the closure of Sc[i]³. This was done following a prioritization of all City services which included an analysis of which services were most focused on the needs of Sunnyvale residents and conformed best to the purpose of local government. Further investigation of this idea will take place over the next several months and are largely dependent on your response to this letter.

Second, staff prepared a budget that meets the Council's expectations for self-sufficiency. The submitted and approved budget for Sc[i]³ is very stringent. It does not include funds for a subscription fee. It projects higher revenues with lower expenditures and fewer staff hours. In any circumstances these projections are very ambitious and success will be very difficult to achieve.

We believe that the following actions by the US Patent and Trademark Office would be necessary in order to maintain the operation of Sc[i]³ in Fiscal Year 2004/05 and beyond:

- 1) Elimination of the subscription fee of \$30,000 beginning October 1, 2004. Based on the performance of Sc[i]³ for the past two years, the subscription fee is the one expense which has prevented the operation from being self sufficient.
- 2) Assistance in identifying new lines of business in order to generate sustainable revenue streams. As more USPTO services are offered in an electronic or paperless environment what fee based services are appropriate to operating a cost recovery library service?

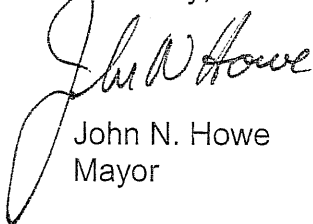
- 3) Guarantee delivery of repeat seminars within 45 days of request and be similarly responsive in requests from Sc[i]³ clients in developing new course offerings. While many of the issues related to the consistent quality of online courses have been addressed, a lack of timely new topics continue to frustrate potential customers.
- 4) Guarantee one or more annual visits from high ranking USPTO officials in order to interface with the intellectual property community in Silicon Valley as well as to be a fundraising opportunity for Sc[i]³. Recent visits have not been fundraising opportunities and have not provided an opportunity for our community to recognize the link between the USPTO and Sunnyvale and benefit from the interaction it makes possible.

If The USPTO is unable to accommodate the items included in the list above, Sunnyvale will need to begin to implement a plan for the closure of Sc[i]³. This plan would commence on October 1, 2004 with notification of our customers. We anticipate that complete closure would require several months as we assist customers in identifying alternatives for service. I would appreciate your timely response to these issues so that we can both move forward with planning.

Clearly many of these issues are items we have discussed over the past few years. We ask once again to insure that we have mutually explored all options available to us for the possible continuation of the Partnership.

Should it become necessary to cease operation of Sc[i]³ we will work closely with your staff to insure that our closure is done in such a way that our customers can continue to receive uninterrupted quality service. We welcome your response to our requests and your thoughts about the future of our partnership.

Sincerely,



John N. Howe
Mayor

cc: Jon Dudas, Director of the United States Patent and Trademark Office
Nicholas Godici, Commissioner of Patents
Anne H. Chasser, Commissioner of Trademarks
Douglas Bourgeois, Chief Information Officer
Martha Sneed, Director, Office of Public Information Services
Amy Chan, City Manager
Victoria Johnson, Director of Libraries
Steve Sloan, Supervising Librarian, Sc[i]³